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DIVISION OF HEALTH CARE
FINANCE AND POLICY

**Comments of Health Care For All on
114.5 CMR 21.00: Health Care Claims Data Submission**

May 17, 2010

Health Care For All is the leading consumer health organization in Massachusetts. We seek quality, affordable health care for all residents of Massachusetts. Health Care For All is pleased to submit these comments on the proposed 114.5 CMR 21.00 regulations. These regulations would allow the Division to collect data to create an All-Payer Claims Database (APCD). Health Care For All strongly supports creation of the APCD and supports these regulations.

Transparency is a Critical Prerequisite for Health System Improvement

The Massachusetts health care system is complex, with multiple payers and providers of services. Payers use a multitude of methods to reimburse providers for services. Some important services, such as medical management, are provided by some carriers. Providers are affiliated in complicated networks, all generally opaque to patients. Both providers and payers use different metrics for assessing quality and reporting to consumers. Patients, who seek to understand their care and choose the best care for themselves, face a daunting task trying to understand the system and make optimal choices.

Purchasers, such as employers and public agencies, all have different, limited sources of data. Large employers are able to look at the experience of their employees, and programs like MassHealth have extensive data on their members' use of services. None have a complete picture, however. Medicare officials only look at Medicare data. For small businesses and individuals looking to improve their health coverage, very little comprehensive information is available.

Policymakers and researchers also face enormous difficulties in assessing our system and making improvements. While abundant data are available on some aspects of the health system, other areas are rarely covered by data sources. All of the various sources of data use different standards, reference points and definitions. The data can be very limited. The Division of Insurance is only able to look at fully-insured plans, despite roughly half of all employees receiving coverage through self-insuring employers. It is as if a navigator has to plot a journey using a map that is only partially complete, is drawn to different scales in different regions, and is in different languages.

Change cannot happen without valid, verifiable, reliable, comprehensive information. The APCD will collect – in one central database – all inpatient, outpatient, pharmacy,

and dental claims from fully-insured and self-insured health plans, Medicare, and Medicaid sources. The APCD will allow a broad understanding of health care costs and medical service utilization across institutions and populations. This is critical for improving the quality of care and supporting patients' ability to make the best choices for their care.

Health Care For All is particularly pleased that MassHealth and Commonwealth Care data will be integral to the APCD. MassHealth and Commonwealth Care cover over 1 million Bay Staters, and they can be a leading driver of innovative system improvements. Including MassHealth and Commonwealth Care data will allow members, policymakers and the public to assess the quality and efficiency of these public programs, and lead to greater understanding of their critical mission.

Comprehensive Open Data is Necessary for Payment Reform Implementation and Patient Confidence

The Commonwealth is considering moving to a payment structure that rewards wellness and preventive care, and focuses on quality and patient needs. Health Care For All strongly supports payment reform that prioritizes patient-centered primary care and promotes integrated care. Under a global payment structure, this can be achieved only if the system includes full transparency. Patients and providers must fully understand the incentives built into the system, and patients must be able to fully evaluate the quality of their care. Without engaged patients confident in their care, the system could degenerate into the excesses of the initial managed care era.

Transitioning our payment structure will require comprehensive data and analysis from trusted sources. The APCD will provide some of the input data needed to make payment reform work. Health Care For All views this data as critical to building the patient confidence required to support global payments.

Comprehensive Data is Necessary for Reducing Racial and Ethnic Health Disparities

We know significant racial and ethnic disparities exist in our health care system. Study after study has demonstrated disparities in hospital care, physician care and many other aspect of health. The underlying causes are often related to deep social forces affecting health, including poverty, housing, education level, language and many others. Structural barriers, legal restrictions, culture and discrimination all play a role.

Only with a comprehensive data set can an effort to eliminate disparities be complete. Health Care For All is pleased that the Division proposes to include standardized measures of race and ethnicity as part of the data collected to allow a better understanding and targeting of efforts to eliminate disparities.

An All-Payer Claims Database Can Help Reduce Cost Growth in Massachusetts Health Care

The rate of growth of health care spending in Massachusetts continues to outpace growth in the economy. The recent analyses by the Division and the Attorney General point to serious market failures in our health care marketplace. Often prices paid for health services have no relation to quality or underlying costs.

A comprehensive understanding of trends and differences in treatment patterns and costs, along with treatment outcomes, across different payers, different areas of the state and different types of patients will allow those concerned about the growth rate of costs to dissect the problem and find solutions. The database will particularly be helpful in understanding the costs of chronic disease care, the most expensive part of our health care system. For example, the data may point to particular interventions that successfully improve outcomes for a lower cost. These best practices can be disseminated throughout the health system.

Privacy Must Be Protected in the APCD

A key concern for consumers is confidentiality of private information concerning health status, treatments and coverage. We urge the Division to be extra-mindful of this concern and err on the side of protecting consumer privacy.

We appreciate the opportunity to comment on the proposed regulations and are available to answer questions on our comments.